

MSGNO 6 (STXX) Z1 *11/02/82* *05:44*
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E.O. 12065: RDS-1, 2/9/02 (EAGLEBURGER, LAWRENCE S.) EUR
 TAGS: OVIP, PINT, IT
 SUBJECT: VISIT OF MFA SECRETARY GENERAL Malfatti

1. C-ENTIRE TEXT.

2. THE FEBRUARY 4 VISIT OF MFA SEC GEN Malfatti PROVIDED AN OPPORTUNITY FOR AN IMPORTANT EXCHANGE OF VIEWS ON MAJOR FOREIGN POLICY ISSUES. ALTHOUGH Malfatti WAS DISAPPOINTED THAT CIRCUMSTANCES PREVENTED A BRIEF MEETING WITH THE SECRETARY, HE EXPRESSED APPRECIATION AND SATISFACTION WITH THE STOESSEL AND EAGLEBURGER MEETINGS AND TALKS WITH KEY SENATORS AND CONGRESSMEN. THE FOLLOWING ISSUES WERE COVERED BY Malfatti IN CONVERSATIONS WITH STOESSEL AND EAGLEBURGER.

3. TERRORISM - Malfatti DECLARED THAT THE ITALIAN STATE HAD LEARNED MUCH IN ITS LONG WAR AGAINST TERRORISM. IT IS DIFFICULT TO FIGHT TERRORISTS WITH DEMOCRATIC METHODS BUT ITALY WILL DO SO. TERRORISTS ARE NOW MAKING MISTAKES AND LOSING BATTLES. IN RESPONSE TO APPRECIATION FOR THE DOZIER RESCUE Malfatti STRESSED THAT THE GOI SIMPLY DID ITS DUTY.

4. SIBERIAN PIPELINE - BOTH STOESSEL AND EAGLEBURGER PRAISED ITALY FOR THE PIPELINE "PAUSE FOR REFLECTION."

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 Malfatti noted its temporary nature and stated that the U.S. must give the impression it will make major sacrifices including a grain boycott if the pipeline is to be stopped. There are alternative sources - Norway, Algeria, Iraq and Iran - but the West would have to work together to make them feasible. Malfatti claimed that the ENI accord with the Soviets was not final, since there had been no agreement on price.

5. CONSULTATIONS - Malfatti recalled the 1979 Guadeloupe meeting from which Italy was excluded. He thanked Stoessel for bringing Italy into meetings of "five" and for preventing a repetition of four power summitry.

6. POLAND - Deputy Secretary Stoessel stressed the need for alliance unity on Poland noting that Gromyko was impressed with alliance cohesion. Malfatti agreed on the importance of preserving unity even if policies descend to the lowest common denominator.

7. SOMALIA/ETHIOPIA/IRAN - Malfatti described the Italian effort to seek productive relations with all three countries. He hoped the U.S. would do more to help Somalia but noted that Somali intentions toward Ethiopia remain aggressive. Malfatti told Eagleburger that Ethiopia has asked Italy for arms in addition to the considerable economic help now provided. Italy would resist arms sales but would be put in difficulty if the French sold Ethiopia arms. Malfatti hoped the U.S. could prevent that. Eagleburger told him he would be alert to the possibility of French arms sales.

8. Malfatti noted that Italy's trade with Libya is about equal to that with the U.S. and leverage is limited. Should the French sell fifty or so Mirages to Libya Italy would be unable to continue restraint. As for the effort to isolate Qadhafi, Malfatti remarked that the German liberals invited him for an April visit. At that time Qadhafi would undoubtedly ask to see Schmidt, and thus end Libya's isolation. Eagleburger told Malfatti that we have plainly told the French our views on arms sales to Libya. We would see what we could do about a Qadhafi visit to Germany.

9. OECD - Malfatti said that Rome sticks with the Pandolfi candidacy. Pandolfi will come to the U.S. soon in hopes of gaining our support should the German candidate fail.

10. ARMENIAN TERRORISTS - The Armenian Terrorists (SALA) are supported by the Soviets and Palestinians, stated Malfatti. We need to see what can be done to reduce the danger in Rome. We told him we were looking at the issue once more. We face the Armenian terrorist problem in the U.S. as well.

STOESSEL

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